## **SECTION I**

## INTRODUCTION

|  |  |   | • |  |  |
|--|--|---|---|--|--|
|  |  |   |   |  |  |
|  |  | n |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  | - |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |
|  |  |   |   |  |  |

## I. INTRODUCTION

A. PURPOSE AND NEEDS: The Bureau of Land Management (BLM) initiated the Northeast National Petroleum Reserve-Alaska (NPR-A) Integrated Activity Plan/Environmental Impact Statement (IAP/EIS) to determine the appropriate multiple-use management of this 4.6-million-acre area consistent with existing statutory direction for its management. Specifically, the Naval Petroleum Reserves Production Act of 1976 (NPRPA), as amended, encourages oil and gas leasing in NPR-A while requiring protection of important surface resources and uses. To carry out its management responsibilities, BLM is addressing two major questions in this IAP/EIS. (1) What protections and enhanced management will be implemented for surface resources such as cultural, paleontological, subsistence, and recreation resources; fisheries; land; soils; vegetation; water; and wildlife within the planning area? (2) Will the BLM conduct oil and gas lease sales in the planning area and, if so, what lands will be made available for leasing?

The BLM decided to focus its analysis on the northeastern part of the NPR-A, because it is of greatest interest for oil and gas development and also is the area encompassing some of the highest value surface resources of the Reserve. The northeast portion of the NPR-A is closest to the existing petroleum infrastructure. The small to medium oil fields that are considered the most likely to exist in the NPR-A would not justify extension of that infrastructure to the central and western parts of the Reserve, until and unless other small to medium fields are found and developed in the northeast part of the Reserve. Limiting the size of the planning area enabled BLM to do a more detailed study of the surface and subsurface resources and plan much more specifically for the protection of the outstanding surface resources the area encompasses. The agency determined that this was the preferred scope to include in the IAP/EIS rather than a much more general plan, which would have been the result from attempting to plan for the entire 23-million-acre NPR-A all at once.

Following Congressional authorization of "an expeditious program of competitive leasing of oil and gas" in the NPR-A in 1980 (P.L. 96-514, Dec. 12, 1980), the BLM leased tracts in the NPR-A in 1982 and 1983 (all now expired) but received no acceptable bids in a lease sale in 1984. The

agency found little interest in another lease sale in annual surveys of the oil industry in following years. Recently, however, interest has increased as industry infrastructure has come closer to the Reserve's boundary (Fig. III.A.1.a(2)-1) and advances in technology have both reduced costs and environmental impacts and increased industry's understanding of the resources. None of the Federal lands in the planning area are closed, i.e., withdrawn from oil and gas leasing, but they currently are unavailable for leasing, because existing National Environmental Policy Act (NEPA) documentation is dated and no longer adequate. Should BLM decide to undertake renewed leasing, this IAP/EIS will form the basic NEPA documentation to authorize leasing and will identify those areas that will be available and unavailable for leasing.

This IAP/EIS was undertaken to fulfill BLM's responsibilities to manage these lands under the authority of the NPRPA and the Federal Land Policy and Management Act (FLPMA). The EIS also satisfies the requirements of NEPA and will afford the public and government officials an opportunity to take a comprehensive look at the future management of the area, including the potential for oil and gas leasing and possible Wild and Scenic Rivers Act designations. The plan is anticipated to have a life of 10 to 15 years, though it may prove suitable for either a shorter or longer period.

The authority for the management options in the EIS comes from several statutes, including NEPA, Title VIII of the Alaska National Interest Lands Conservation Act, the Wild and Scenic Rivers Act, and particularly FLPMA and the NPRPA. Under FLPMA, the Secretary has broad authority to regulate the use, occupancy, and development of the public lands and to take whatever action is required to prevent unnecessary or undue degradation of the public lands (43 U.S.C. § 1732).

Under the NPRPA, the Secretary of the Interior has the authority to conduct oil and gas leasing and development in the NPR-A (42 U.S.C. § 6508). Section 6508 of the NPRPA also exempted the NPR-A from section 202 of FLPMA, 43 U.S.C.§1712, which requires the preparation of land use plans (denominated Resource Management Plans, or "RMP's" in regulations adopted by BLM) and

section 603 of FLPMA, 43 U.S.C. § 1782, which requires the completion of wilderness reviews and recommendations for the roadless public lands that BLM manages. As a result of these exemptions, the current IAP/EIS is not an RMP, as most BLM planning efforts are called, nor does the statute (FLPMA § 202) or regulations governing the preparation of RMP's (43 C.F.R. Subpart 1610) apply to this planning effort. The NPRPA also provided that the Secretary of the Interior "shall assume all responsibilities" for "any activities related to the protection of environmental, fish and wildlife, and historical or scenic values" (42 U.S.C. § 6503(b)). In addition, the Secretary is authorized to "promulgate such rules and regulations as he deems necessary and appropriate for the protection of such values within the reserve" (42 U.S.C. § 6503(b)). Furthermore, the NPRPA, as amended, contains special provisions that apply to any exploration or development activities within the Teshekpuk Lake area and any other areas "designated by the Secretary of the Interior containing any significant subsistence, recreational, fish and wildlife, or historical or scenic value" (42 U.S.C. §§ 6504(b), 6508). In addition to the Teshekpuk Lake Special Area, the Secretary has designated a Special Area along the Colville River under these provisions. These provisions require that any oil and gas exploration or development within a special area "shall be conducted in a manner which will assure the maximum protection of such surface resources to the extent consistent with the requirements of [the] Act for the exploration of the reserve" (42 U.S.C. §§ 6504(b), 6508). Finally, oil and gas activities must include or provide for "conditions, restrictions, and prohibitions as the Secretary deems necessary or appropriate to mitigate reasonably foreseeable and significantly adverse effects on the surface resources of the NPR-A" (42 U.S.C. § 6508(1)). This IAP/EIS fulfills these statutory mandates.

Preparing this IAP/EIS to examine opportunities for oil production on Federal lands while protecting other resource values furthers major goals of the NPRPA, namely helping meet the total energy needs of the Nation. Because of the years required to find, delineate, and develop a producing oil field in the remote arctic environment, oil leasing is not conducted to meet today's need but future projected needs The U.S. currently imports about half its oil supply, and the Federal Government projects that the proportion of the Nation's oil coming from overseas will continue to climb, approaching two-thirds by 2020. The Department of Energy also reports that domestic oil and gas production in the U.S. overall is declining, as it is on the North Slope of Alaska. Oil produced from the NPR-A would be transported using excess capacity of the existing Trans-Alaska Pipeline System, which would be available in the timeframe projected for development of new NPR-A fields. The Department of Energy also reports that importation of foreign oil also significantly exacerbates this country's

trade deficit. Domestic oil production, especially on Federal lands, contributes directly to the health of the Nation's economy and to Federal revenues. The oil industry provides jobs, many of them high-skill and high-paying. Lease sale, rentals, bonuses, and royalties from Federal oil and gas leases contribute to the Federal treasury, as do taxes paid by oil companies and their workers. This IAP/EIS assesses the opportunities for making part or all of the planning area available for oil and gas leasing in a manner consistent with responsible protection of other resources.

The BLM manages its Alaska lands and their uses to ensure healthy and productive ecosystems, in accordance with the FLPMA. In addition, BLM works to fulfill the Federal Government's responsibility to convey lands to the State of Alaska and to Native corporations and individuals, in accordance with the Alaska Statehood Act, the Alaska Native Claims Settlement Act (ANCSA), and the Native Allotment Act. In addition to the management actions under consideration in this plan that further the goal of ensuring a healthy and productive ecosystem, the BLM already is engaged in some inventory and monitoring actions to meet that goal. (Appendix A describes ongoing and anticipated inventory and monitoring efforts.) For example, for the past 4 years, BLM has worked with Ducks Unlimited to define the vegetative land cover of the NPR-A and is now working to link this habitat information with wildlife data compiled by the U.S. Department of the Interior, Fish and Wildlife Service and the State of Alaska, Department of Fish and Game. The BLM also is engaged in conveying lands to Natives of the North Slope. Specifically, within the planning area the agency is working to complete conveyance of Native Allotments to individual Natives and ANCSA-authorized lands to the Kuukpik Corporation (the ANCSA corporation for the village of Nuigsut) and to the Arctic Slope Regional Corporation (the ANCSA corporation for the Natives of the North Slope). These inventory and conveyance actions are ongoing and will continue under all alternatives considered in this IAP/EIS.

This plan addresses all aspects of management that arise from BLM's existing statutory authority in the NPR-A. There are other potential management questions that BLM has chosen not to address in this IAP/EIS planning effort. These include legislative proposals, such as would authorize hardrock mining, wildlife refuge or wilderness designations, and identification of lands in detail for exchange to Native corporations. For further discussion of these and other management actions not addressed in this IAP/EIS, see Section II.G.

## **B. BACKGROUND:**

1. Administrative History of the National Petroleum Reserve-Alaska: In 1923, President Warren G. Harding created the Naval Petroleum Reserve Number 4, commonly called Pet-4, in northern Alaska as a defense measure. In an era in which naval armament around the world regularly appeared in newspaper headlines and the American Navy was converting its ships to oil power, the President, in his Executive Order (E.O.) establishing Pet-4, noted that "the future supply of oil for the Navy is at all times a matter of national concern." He added that "there are large seepages of petroleum along the Arctic Coast of Alaska," but that existing laws to "promote development seem imperfectly applicable in the region because of its distance, difficulties, and large expense of development" (E.O. 311, Feb. 27, 1923). The E.O. withdrew the lands from the land and mineral laws for 6 years; later, the time limit was deleted. For more than a half a century thereafter, the Navy and the U.S. Geological Survey conducted petroleum exploration of the region.

By the mid-1970's, the Navy's dependence on oil was dwarfed by that of the entire Nation's economy. This need was highlighted during the oil embargo of 1973. There also was a rising environmental consciousness and interest in the great variety and richness of wildlife and other values in Pet-4. As a consequence, President Gerald Ford signed the NPRPA to develop Pet-4 and the other three Naval Petroleum Reserves, but to do so "in a manner consistent with the total energy needs of the Nation" (P.L. 94-258, Apr. 5, 1976).

The NPRPA authorized production of oil from the reserves in the lower 48 states. Two of the three petroleum reserves in the contiguous states are now extensively developed; for example, the Elk Hills, California reserve has produced over 1.1 billion barrels of oil, including 20.5 million in 1997 ranking it as the 7th largest producer in the U.S. outside Alaska. (Oil and Gas Journal, 1998)

The law transferred management of Pet-4 to the Secretary of the Interior and renamed it the National Petroleum Reserve-Alaska. The law prohibited petroleum production from NPR-A until authorized by Congress. In 1980, Congress granted that authorization and directed the Secretary of the Interior to undertake "an expeditious program of competitive leasing of oil and gas" in the Reserve (P.L. 96-514, Dec. 12, 1980). The most immediate outcome of this was the lease sales held by BLM in the early 1980's.

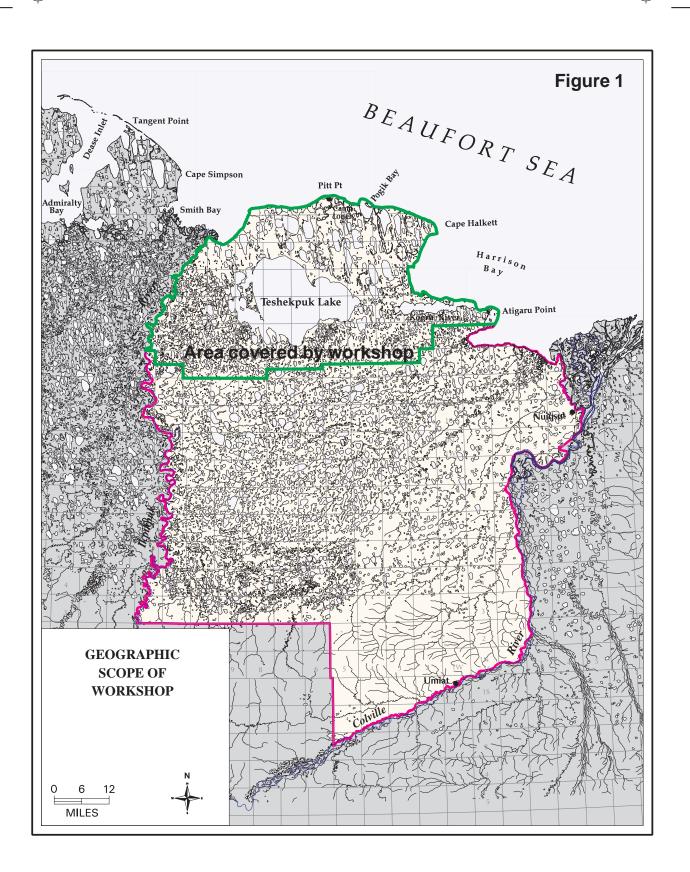
2. Special Areas: The NPRPA stated that any petroleum exploration within "the Utukok River, the Teshekpuk Lake area, and other areas designated by the Secretary of the Interior containing any significant

subsistence, recreational, fish and wildlife, or historical or scenic value, shall be conducted in a manner which will assure the maximum protection of such surface values to the extent consistent with the requirements of this Act for exploration of the reserve." Based on this authority, the Secretary in 1977 designated two Special Areas within the planning area (Fig. I.1) in which all activities were to "be conducted in a manner which will assure maximum protection" consistent with the NPRPA (Sec. III.B.1). The Teshekpuk Lake Special Area, which is almost entirely within the planning area, was created to protect migratory waterfowl and shorebirds. The Colville River Special Area, a third of which is in the planning area, was created to protect the arctic peregrine falcon, which at that time was an endangered species.

The Special Areas and their resources are the focus of many of the management actions and protective measures contained in the alternatives presented in Section II. These Special Areas and their resources are more fully described in Section III.B.1. None of the alternatives under consideration in this IAP/EIS would eliminate any of the existing Special Areas; some of the alternatives propose adding to or creating new Special Areas.

**3. Planning Area:** Figures I.2 and I.3 locate the planning area in relation to the rest of Alaska and to Alaska's North Slope, respectively. Figure I.4 provides a general view of the planning area. Figure I.5 provides the same view with Inupiat place names. The IAP/EIS covers Federal public lands within the planning boundary. The plan does not address lands owned by ANCSA regional or village corporations, mostly near the community of Nuiqsut; the surface lands within certified Native Allotments owned by private individuals; or the airstrip at Umiat, owned by the State of Alaska. (However, cumulative impacts of reasonably foreseeable activities on these adjacent non-Federal lands are considered in the cumulative impact section of this IAP/EIS (Sec. IV.H). For a more extensive discussion of land status, see Sec. III.C.5.a, which also contains a land status map.

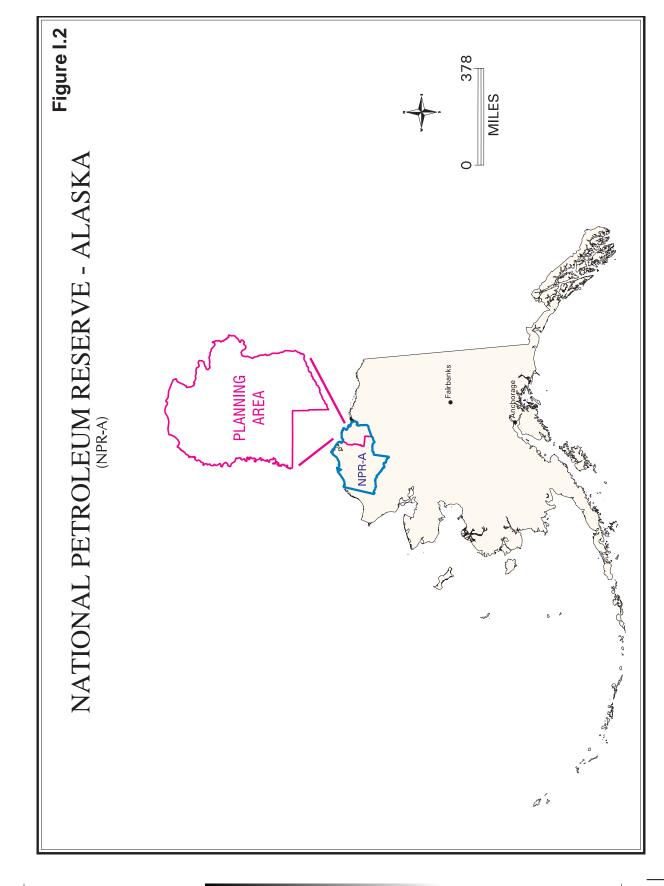
A few technicalities regarding the boundary of the planning area are worth mentioning. The eastern boundary of the planning area is the eastern boundary of the NPR-A along the western bank of the Colville River. That boundary is defined in E.O. 3797-A as the "highest highwater mark...on the [western] bank," which the U.S. District Court in Alaska construed to be "on and along the bank at the highest level attained by the waters of the river when they reach and wash the bank without overflowing it" (Alaska v U.S.; A78-069 Civ). Thus, neither the Colville River nor its bank immediately adjacent to the river are in the planning area. Most of the western boundary is along the eastern bank of the Ikpikpuk River, so that river also is outside the planning area. Finally, the U.S. Supreme Court









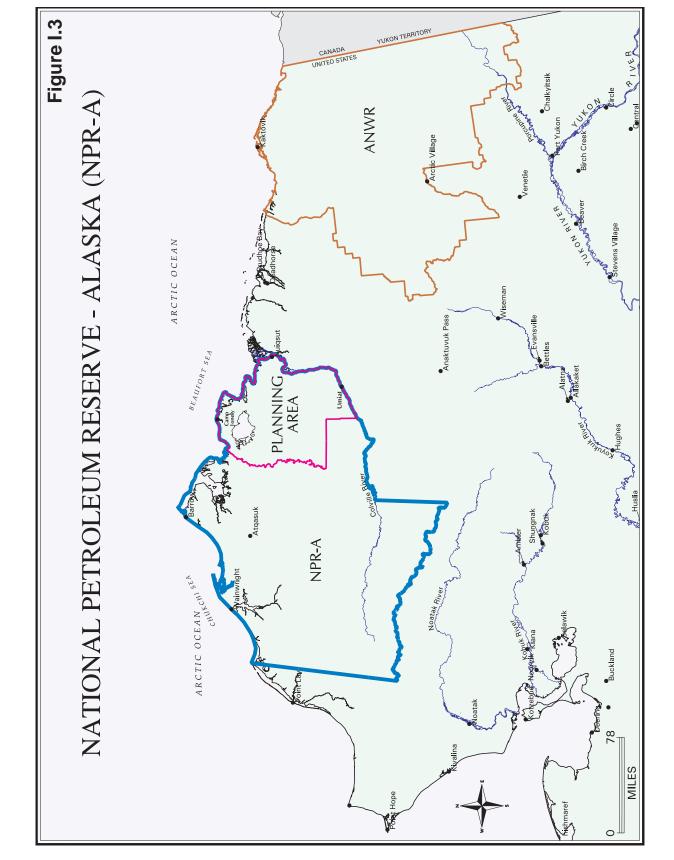














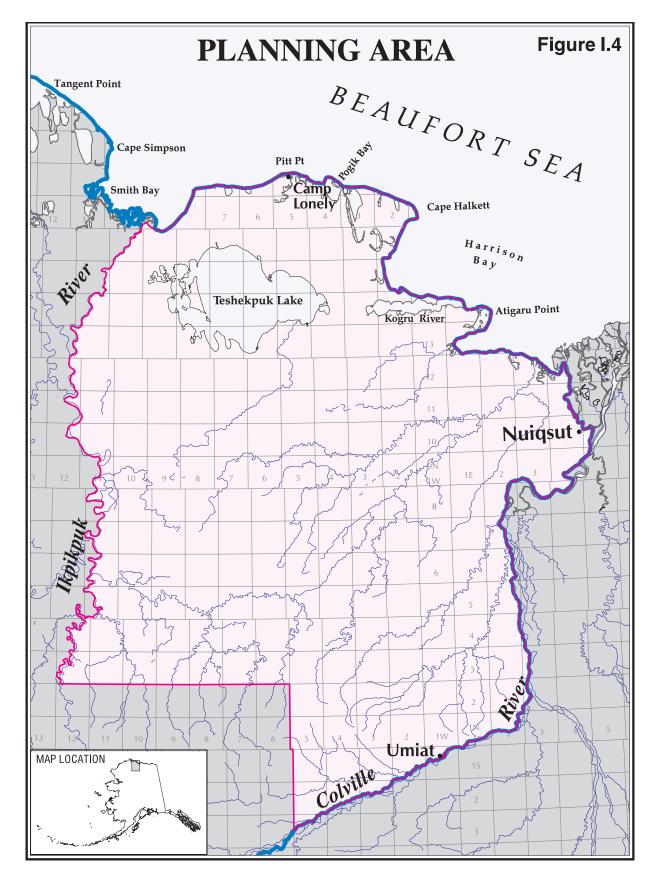
•



•

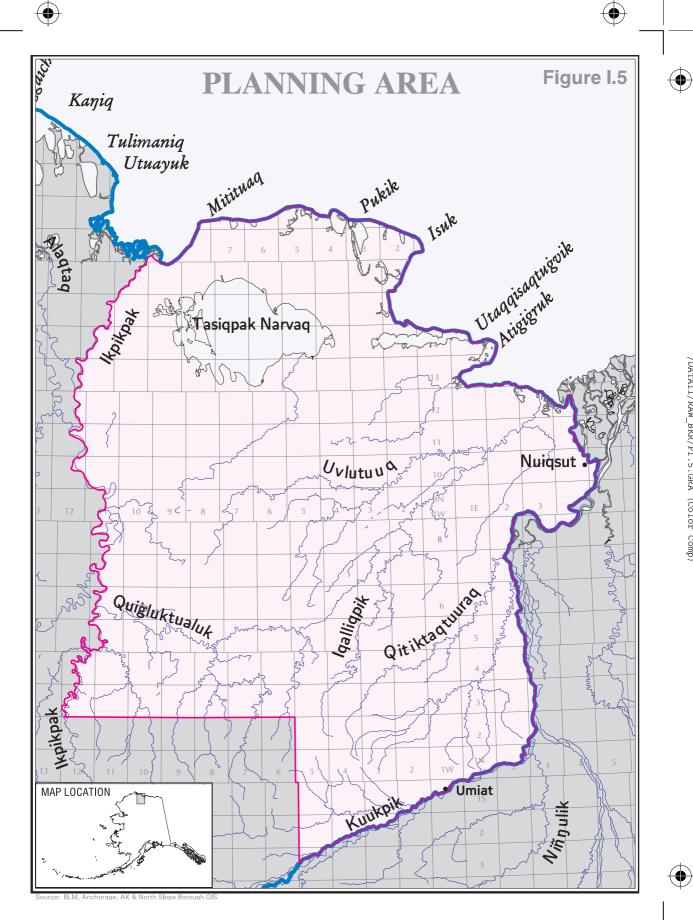














•



in *U.S. v Alaska*; No. 84, Orig. decided on June 19, 1997, that the NPR-A included tidally influenced waters and that those waters and the submerged lands underlying them did not transfer to the State at Statehood. This decision accounts for the depiction on Figure I.4 and I.5 of inlets and tidal waters between outlying islands and the mainland as part of NPR-A.

4. Relationship of the IAP/EIS to Past BLM Plans in the Planning Area: The Congress first authorized an oil and gas leasing program in the NPR-A in the Department of the Interior and Related Agencies Fiscal Year 1981 Appropriations Act (P.L. 96-514, Dec. 12, 1980). To meet the provisions of NEPA to conduct leases sales, the BLM completed an Environmental Assessment in 1981 and an EIS in 1983 (USDOI, BLM, 1983a). The 1983 EIS deleted some areas from leasing and recommended stipulations, especially in areas with high surface values. (See Sec. III.B.1 for additional information on the 1983 EIS.) The final IAP adopted as a result of this environmental analysis will establish guidelines for future management of the planning area and will supercede management guidelines developed under the 1983 EIS.

The NPR-A has been the subject of several studies since its creation just over two decades ago. The NPRPA's Section 105(c) mandated studies of the resources of the NPR-A, which were published in 1978 and 1979. In 1985, the BLM completed separate habitat and mineral evaluations of the Teshekpuk Lake Special Area (USDOI, BLM, 1985a,b). The current planning effort draws on these previous studies and incorporates data from research and monitoring conducted since that time.

5. **Process:** A Notice of Intent to Plan and a Call for Nominations and Comments published in the *Federal Register* on February 13, 1997, launched the current BLM initiative in the northeastern NPR-A. The Notice and Call asked the public to help the agency identify issues and resources relevant to the planning effort and to any potential oil and gas leasing. It also asked oil companies to identify areas within the planning area in which they were interested. BLM issued its draft IAP/EIS on December 12, 1997. It held seven public meetings in Alaska and also in Washington, D.C. and San Francisco, California in January. The public comment period ended on March 12, 1998. For a fuller description of the public outreach program BLM has engaged in to date, see Section VI.

This final IAP/EIS benefits from the thousands of comments we received at public meetings and in writing. The concerns and suggestions voiced by the public and other agencies have helped us design the Preferred Alternative offered in this document. The public will have 30 days to review this final IAP/EIS. Only after that time

will we issue a Record of Decision (ROD) establishing the management which will result from this planning effort.

Concurrent with the NEPA analysis, BLM, in cooperation with the Minerals Management Service (MMS), is analyzing geologic data, including massive amounts of seismic data. Should BLM determine in its Record of Decision to hold a lease sale, these data will assist the Federal Government to designate oil and gas lease tracts and establish appropriate values for acceptable bids. Substantial work on this "tract-evaluation process" will be completed prior to issuance of the ROD; additional work will be done after any lease sale to determine the acceptability of bids.

Additional management actions are required after issuance of the ROD. For example, creation of or additions to Special Areas would require action by the Secretary of the Interior, and establishment of a Wild and Scenic River (not contemplated under the Preferred Alternative) would require congressional action.

If the ROD makes lands available for oil and gas leasing, a series of additional NEPA and tract-evaluation processes would ensue with each subsequent lease sale. If there is a sale, the first sale could occur in late 1998. For analysis purposes, the IAP/EIS assumes that all lands that the ROD determines should be available for leasing will be offered in the first sale. Readers should bear in mind, however, that the first sale may offer only part of the lands determined in the ROD to be available. Subsequent sales could offer additional available tracts for leasing as well as reoffer tracts not leased earlier. The area offered, however, would be within the area identified in the Record of Decision of the IAP/EIS as available for leasing. The timing of the second and subsequent sales, if any, will depend in part on the response to the first sale and the results of the exploration that follows. The BLM anticipates that this IAP/EIS will fulfill the NEPA requirements for the first sale. Prior to conducting each additional sale, the agency will conduct a NEPA analysis, tiering from the IAP/EIS. If the analysis in the IAP/EIS is deemed to be valid, the NEPA analysis for any second or subsequent sale may require only an administrative determination or an EA to support the ROD. If parts of the planning area are leased as one outcome of the IAP/EIS, additional NEPA analysis will also be conducted at both the exploration and development stages during the permitting process.

**C. ISSUES:** The BLM has sought to define the issues in the planning area through public participation and discussions with the State; the North Slope Borough (NSB), which is the Borough government in which the planning area lies; and with other Federal Agencies. (The BLM's consultation and coordination efforts are further

described in Section VI.) The BLM reviewed the concerns and questions raised during the public scoping process and integrated solutions to many of the issues into elements of the alternatives. The major issues addressed in the IAP/EIS are:

- Oil and Gas Development in a Remote, Largely Undeveloped Area. Most questions about the future management of the planning area revolve around whether BLM should offer oil and gas leases and, if so, with what restrictions. Some people believe that advances in oil field technology, such as extendedreach drilling and smaller areas required for production pads, have greatly reduced the industry's impact on the environment. Some point to the importance of finding and developing new oil fields for the Nation's future energy supply and the State's and NSB's financial health in the face of declining oil production in the Prudhoe Bay and Kuparuk River fields. Others oppose development, arguing that the NPR-A should be treated as an energy savings account to be tapped only when critically needed under a national energy policy, and that the area's remote, scenic, and primitive values outweigh the transitory benefits of development. The lack of a comprehensive environmental analysis and land use plan for the entire North Slope also was highlighted by many people as a critical issue, citing the cumulative effects of past, present, and future land use activities, particularly onand offshore petroleum development, on various resources and their uses. Specific issues involving oil and gas development and surface values in the planning area are highlighted in the statements below.
- Resources of the Teshekpuk Lake Special Area.

  The Teshekpuk Lake Special Area is important to North Slope residents for subsistence hunting and fishing and is recognized worldwide for its significance during critical lifestages of waterbirds and the Teshekpuk Lake Caribou Herd. This area also includes some of the lands under study considered to have the highest potential for oil and gas resources. Surface resources could be impacted by oil and gas development and other potential land use activities in the northeast planning area.
- Resources of the Colville River Special Area. The
  Colville River Special Area provides important habitat
  for raptors, moose, neotropical migratory birds, and
  fish. In addition, it contains world-class
  paleontological deposits and is an important corridor
  for subsistence and recreational activities. These
  resources could be impacted by oil and gas
  development and other potential land uses.
- Subsistence Resources and Their Traditional Uses by North Slope Residents. Many North Slope residents recognize the potential benefit of oil and gas development in the form of tax revenue, employment

- opportunities for individuals and local businesses, and a new and cheaper fuel source. Nevertheless, they have major concerns about the continuation of their traditional subsistence lifestyle in the face of change. Oil and gas leasing and other land use activities, such as increased recreational activities, could affect local communities in complex interrelated ways through environmental, cultural, social, and economic changes.
- Environmental Quality. Concerns regarding environmental quality ranged from air- and water-quality issues to oil-spill prevention and response. The public is concerned about the effects of oil spills, drilling fluids, and other contaminants on fish, wildlife, and air and water quality.